

SENATE TAXATION

EXHIBIT NO.

3

DATE

1-22-09

BILL NO.

SB146

ROBERT W JOHNSON

From: "ROBERT W JOHNSON" <johnson9688@msn.com>
To: "rfranke" <rfranke@smurfit.com>
Sent: Saturday, January 17, 2009 8:20 PM
Subject: Tax Credit for Senate

To Ron Erickson,

This is to help your tax committee on the proposed SB-146 on tax credits.

1, Any wood products manufacture produces biomass fuel that could qualify for this credit including Smurfit Stone which takes logs and chips them to produce paper.

2, Missoula buys about 250,000 tons per year plus we produce 7 to 12 truck loads a day ourselves in biomass fuel.

3, We recycle cardboard and the rejects are placed into biomass fuel too, approx. 90 cubic yards, (10 dump truck loads per day), which is permit regulated.

4, We remove the lignite from wood chips and burn this as biomass fuel in our boiler and recover the chemicals we use in the pulping process for recycle use.

5, With any biomass boiler there is a fossil fuel used in high capacity boilers to control the temperature curve for boiler safety. Biomass fuel does not burn evenly and control of boiler temperature is crucial.

6, This is my opinion only, the tax credit needs to be fair for all who would possible be involved. The clean up of wood/ biomass in our communities and forests after projects have been completed so they don't get burned or sent to the land fill is the correct theory. To create a new business venture is not, unless the forest service is funding the costs. The price of logs for sale to just to create biomass is counter productive. If the committee is trying to help the wood products industry the real problem is in Washington DC not in Montana. The Beetle Kill and Bud Worm kill is located in greater abundance in Federal lands than State.

1/17/2009